

# MICHIGAN STATE TRANSPORTATION COMMISSION

## PUBLIC MEETING

October 17, 2019

Lyon Township Supervisor Board Room, New Hudson, Michigan

## MEETING MINUTES

**Members Present:** Todd A. Wyett, STC Chair  
Michael D. Hayes, STC Vice Chair  
George K. Heartwell, STC Commissioner  
Charles F. Moser, STC Commissioner  
Chris J. Yatooma, STC Commissioner  
Helen Zeerip, STC Commissioner

**Members Absent:** None

**Also Present:** Director Ajegba, Michigan Department of Transportation  
Tony Kratofil, COO, MDOT  
David Brickey, Assistant Attorney General, Transportation Division  
Jeff Cranson, Office of Communications, MDOT  
Troy Hagon, Commission Advisor  
Patrick McCarthy, Director, MDOT Bureau of Finance  
Brad Wieferich, Director, MDOT Bureau of Development  
Greg Brunner, Director, MDOT Bureau of Field Services  
Jack Cotter, Commission Auditor, Office of Commission Audits  
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits  
Ashleigh Houska, General Office Assistant, Office of Commission Audits  
John Dolan, Lyon Township Supervisor  
Zach Rable – Transportation Planner, MDOT Transportation Asset Mgmt..  
About 15-20 people were in the audience.

### I. WELCOME

Chair Wyett called the meeting to order at 10:01 a.m.

- ***Welcome to Lyon Township – John Dolan, Lyon Township Supervisor***

Mr. Dolan welcomed the STC to Lyon Township. Mr. Dolan stated that Lyon Township is one of the fastest growing townships in Michigan, which can make it a tough Township to supervise but it's a great place. Mr. Dolan stated that this community is honored to have the STC hold their meeting in Lyon Township and they are here to help in any way.

- ***Director's Report***

Director Ajegba reported highlights from the Fiscal Year (FY) 2020 budget. Director Ajegba said that the 2015 revenue package will provide \$143 million for the State Trunkline Fund (STF) and Michigan Transportation Fund (MTF). Other budget increases include \$68.6 million for maintenance and \$3 million for information technology. The director warned that without an extra \$1.5 billion each year, state trunkline conditions will continue to decline and we would not achieve 90 percent good or fair condition. Currently, these state trunklines are 78 percent good or fair condition.

Director Ajegba finished his report by covering the major highway projects for FY 2020. These projects include I-94 Second Avenue bridge for \$24 million (Metro Region), I-496 reconstruction from I-96 to Lansing Road for \$60 million (University Region), US-131 under 100th Street for \$10.5 million (Grand Region), the I-94/US-31 interchange (Southwest Region), I-75 reconstruction at M-46 for \$60 million (Bay Region), M-28 construction in Munising for \$14.6 million (Superior Region), and the US-31 reconstruction and safety project for \$6.3 million (North Region).

## II. COMMISSION BUSINESS

- ***Minutes of July 17, 2019, Commission Meeting (motion required)***

Chair Wyett requested a motion regarding approval of the minutes for the last State Transportation Commission meeting. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Proposed 2020 Public Meeting Schedule – Troy Hagon***

Chair Wyett requested a motion regarding approval of the 2020 public meeting schedule pending the date change for the joint meeting in January. Commissioner Heartwell made a motion to approve and Commissioner Zeerip supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Transportation Asset Management Council (TAMC) Appointments – Troy Hagon***

Mr. Hagon presented five nominations for appointments to the Asset Management Council for Mr. Christopher Bolt, Mr. Derek Bradshaw, Ms. Johanna Johnson, Mr. Bob Slattery, and Mr. Todd White.

Chair Wyett requested a motion regarding approval of TAMC nominations. Commissioner Yatooma made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Noise Abatement Policy proposed revision – Tony Kratofil, COO (motion required)***

The STC approved a revised noise abatement policy regarding sound barriers at their Oct. 17 meeting. Chief Operations Officer and Chief Engineer Tony Kratofil said that the revision only applies to Type II voluntary noise abatement on existing highways. Currently, Type II sound walls can be constructed only in years when MDOT's Road and Bridge Program, excluding maintenance, exceeds \$1 billion, adjusted to the Consumer Price Index (CPI) using 2002 as the base year. The revision adds a secondary threshold to [MDOT Guidance Document 10136](#) that the department also will only fund sound walls when "...MDOT has met its STC-approved road and bridge condition goals, along with established Federal Highway Administration Road and Bridge Performance Measures, the previous three fiscal years."

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Zeerip made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter spoke about an investigation MDOT asked OCA to do regarding an acquisition of an aggregates market study. The investigation was to determine whether or not MDOT adhere to applicable requirements in its procurement of the study, be phases one and two. OCA's eventual conclusion was that MDOT did not adhere to applicable requirements in the procurement of the study and as a result, contracted for and accepted consultant services in a resultant report that risks being insufficiently, comprehensive, unverifiable, partially irrelevant, and consequently unreliable. Also, MDOT did not ensure that it received fair value for the costs it incurred. The details Mr. Cotter shared were that there are eight pre-award steps which began with MDOT's efforts to determine its needs and end with the award of the contract to the entity that will meet its needs. MDOT has specific requirements that need to be followed according to the specifics of existing facts and circumstances. After the award, OCA identified two additional steps monitoring the vendor and determining whether to accept the vendors deliverable. In coming to OCA's conclusion and in development of OCA's as a result statement above, OCA considered the 14 findings that were identified and reported. To encapsulate the 14 findings, OCA noted topics related to non-existent or unavailable documentation non-compliance with MDOT guidelines ineffective were non-existent internal controls possible ethical violations and flawed judgment. Mr. Cotter opened the floor to the Commissioners for any questions.

Chair Wyett thanked OCA for one of the most important audits that the STC has ever requested. With the Office of Auditor General still working on their report, Chair Wyett requested the STC hold off on deciding the next step. **No motion required.**

### III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Patrick McCarthy***

Mr. McCarthy presented information on 10 contracts, comprised of Local Agency participation contracts, Passenger Transportation contracts, and Rail contracts. Pending any questions, Mr. McCarthy asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Patrick McCarthy***

Mr. McCarthy presented information about Letting Statistics and Exhibit A-1. Exhibit A-1 listed 30 constructions projects to be let October 18, 2019, and November 1, 2019, all over \$500,000. Pending any questions, Mr. McCarthy asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Brad Wieferich***

Mr. Wieferich provided information on one project that was **over** the engineer's estimate. A justification memo was provided also for the project where the low bid exceeded the engineer's estimate by more than ten percent; the Office of Commission Audits (OCA) has reviewed. Pending any questions, Mr. Wieferich asked for approval of Exhibit A-2.

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit B: Construction Contracts – Greg Brunner***

Mr. Brunner presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- MDOT Projects for July, August, and September
  - 73 projects totaling approximately \$200 million were finalized.
  - 7 projects were more than 10 percent over the original contract amount
  - 45 projects came in under original contract amount
- Final monthly contract costs were respectively -0.38, 2.21, and -0.67 percent when compared to their original contract amount.
- Fiscal year to date is averaging -0.03 percent over original contract amount.
- Local Agency Projects for July, August, and September
  - 91 projects totaling approximately \$94 million were finalized.
  - 5 projects were more than 10 percent over the original contract amount
  - 54 projects came in under original contract amount
- 7 MDOT projects and 5 local agency projects are being presented today.

**No motion required.**

- ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

Mr. Cotter noted that the report indicated there were no reports outstanding. **No motion required.**

#### IV. **INFORMATIONAL REPORTS**

- ***Director's Agenda, September 26, 2019- No Items – Patrick McCarthy***
- ***State Administrative Board Agenda, September 26, 2019 – Patrick McCarthy***

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PRESENTATIONS**

- ***FY 2020-2024 Five-Year Transportation Program approval – Lina Chapman***

Ms. Chapman covered the MDOT Five-Year Transportation Program FY 2020-2024. The total five-year investment is \$12.5 billion, with \$9.3 billion for the highway program, \$2.3 billion for the public transportation program, and \$701.3 million for the aviation program.

Chair Wyett requested a motion regarding acceptance of the plan. Commissioner Hayes made a motion to approve and Commissioner Zeerip supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Transportation Asset Management Plan approval – Zach Rable***

Mr. Rable presented on MDOT's recently developed and implemented TAMP, which has been federally approved. Mr. Rable would like the STC to approve the TAMP in order to comply with the state's Public Act 325 requirements.

Chair Wyett requested a motion regarding acceptance of the report. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; all members present voted in favor; **motion to approve carried.**

VI. **PUBLIC COMMENT**

No public comments.

VII. **ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 11:06 a.m.

VIII. **NEXT MEETING**

The next full meeting is TBD in Lansing, MI.

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Troy Hagon  
Commission Advisor